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| In the Matter of |) | No. G 01-33 |
| |) | |
| The Market Conduct Examination of |) | FINDINGS, CONCLUSIONS, |
| |) | AND ORDER ADOPTING REPORT |
| | | OF |
| | | MARKET CONDUCT EXAMINATION |
| Pacific Life Insurance Company |) | |

A Foreign Insurer.

BACKGROUND

An examination of the market conduct of **Pacific Life Insurance Company** (the Company) as of December 31, 1996, was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of California, holds a Washington certificate of authority as a stock insurer. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and comments and recommendations was transmitted to the Company for its comments on May 1, 2001. The Company's response to the report is attached to this order only for the purpose of providing convenient review of the response.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 16 of the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Pacific Life Insurance Company** and to order the Company to take the actions described in the Instructions and Recommendations sections of the report. The Commissioner acknowledges that the Company may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on page 12.

1. The company is ordered to send to each existing insurer a timely written communication advising of the replacement or proposed replacement. This written communication shall be in accordance with WAC 284-23-455(2)(b) and shall be retained in the policy files. (Instruction 1, Report pages 9 and 13)
2. The Company is ordered to maintain all files on its replacement log to assure compliance with WAC 284-23-455(3). (Instruction 2, Report pages 9 and 14)
3. The Company is ordered to comply with RCW 48.17.160(1), and ensure that all agents and brokers are properly licensed and appointed in the state prior to soliciting on behalf of the Company. (Instruction 3, Report pages 11 and 16)
4. The Company is ordered to consider that all applications received be clearly date stamped. (Recommendation 1, Page 12)
5. The Company is ordered to consider that Company personnel receive additional training regarding required timeframes for notification to replaced insurers. (Recommendation 2, Page 12)

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 31st day of July, 2001.

MIKE KREIDLER
Insurance Commissioner